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Central Intelligence Agency



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## DIRECTORATE OF INTELLIGENCE

15 May 1985

Bulgaria: Zhivkov's Position May be Eroding

### SUMMARY

Bulgarian Party leader Todor Zhivkov, beginning his fourth decade in power, is facing some of the most serious political problems of his long career. He is still in control, but some	
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speculation that he may be forced to step down within the next year or so.	
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This memorandum was prepared by  European Division, Office of European Analysis. Comments and questions welcome and should be addressed to  Division, Office of European Analysis  Chief, East European Division, Office of European Analysis	s are
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	The orous cow.	74 year-old Zhivkov has long had a reputation for health and for virtually unparalleled fealty to	
MOS	COW.		
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		Zhivkov was given less prominent positions than other East European leaders at the funerals of both Andropov	
		and Chernenko.	
		Last September Zhivkov seemed distant with the Mikhail	
		Gorbachev, who had come to Sofia in part to convey	
		Moscow's disapproval of Zhivkov's planned trip to West Germany.	
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		The Soviet press of late has devoted only a few lines to Zhivkov's official biography, in contrast to better	,
		treatment for his Eastern European counterparts	

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#### Soviet Concerns

Additional factors contribute to Zhivkov's shaky standing in Moscow:

reservations about Zhivkov's strong emphasis on nationalism, a concern that rose to a peak during Bulgaria's 1300th anniversary celebrations in 1982.

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- -- Zhivkov, along with other East European leaders, reportedly argued against the deployment of Soviet intermediate range missiles in Bulgaria in 1983. The mediocre performance of the Bulgarian armed forces in 1982 Warsaw Pact exercises apparently led the Soviets to press a reluctant Zhivkov to increase his defense spending.
- -- Zhivkov alienated some Soviet leaders by favoring his old ally Konstantin Chernenko, rather than Yuri Andropov, to succeed Brezhnev. This did not stop him, however, from distancing himself from Chernenko when the latter's health failed.
- The Soviets may worry that revelations from the forthcoming papal assassination trial in Rome may further discredit Zhivkov abroad and implicate the USSR.

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#### The Economy

Economic relations with the USSR have been showing signs of strain. Bulgaria's trade deficit with the Soviet Union grew in 1984, and Moscow now wants Sofia to begin closing the gap. Moscow now insists that its exports of energy and raw materials to Bulgaria be contingent on greater Bulgarian investment in Soviet raw materials extraction and transport projects, as well as on higher quality Bulgarian exports to the USSR. While the USSR is taking a similar line with other East European countries, the tough Soviet demands are particularly important for Sofia which conducts nearly 60 percent of its trade with the USSR and imports about 90 percent of its primary energy requirements from the Soviets. Bulgaria's severe economic difficulties last winter might even raise questions about Zhivkov's economic management.

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#### Possible Successors

Prime Minister Grisha Filipov--widely known and disliked by Bulgarians for his Russian origins

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probably is the Bulgarian leader most acceptable to the Soviets. Filipov appeared to enjoy a warm personal friendship with Mikhail Gorbachev when the latter visited Sofia last September.

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Filipov was conspicuously absent from Bulgaria's May Day celebration this year as well as from events surrounding the recent visit of Nicaraguan dictator Daniel Ortega. The US Embassy reports that Filipov may have been on a trip abroad at the time. Speculation that he may have been in Moscow is tending to fuel rumors that Zhivkov may be on the way out.

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Another possibility, Politburo member Milko Balev--often compared to Konstantin Chernenko--has wide experience and is increasingly visible as the Bulgarian Communist Party representative abroad. Yet Balev lacks any significant following and his close identification with Zhivkov links him to the current Bulgarian policies the Soviets dislike. At best, Balev would serve as an interim leader or compromise candidate.

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Many of the other possible successors, especially the younger economic technocrats who Zhivkov brought into government in recent years, lack the old man's stature and personal popularity. Several also advocate unorthodox solutions to Bulgaria's economic problems, which would likely make them ideologically suspect in Soviet eyes

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#### Prospects

Zhivkov's hoped-for legacy to his country--domestic order and relative economic prosperity--appears less probable today than at any time in the 1980s. The next Bulgarian Communist Party congress, scheduled for next spring, may provide the chance for the still popular Zhivkov to reassert himself. Soviet pressure for a change will likely intensify, however, if Zhivkov does not show himself more adept at managing his political problems and if Bulgaria continues to have difficulties meeting its trade and investment obligations to the USSR.

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